

ANNUAL REPORT

KANSAS EXPLORATIONS, INC.

1939

40121198



Superfund

Joplin, Missouri.  
February 24, 1940.

Mr. Andrew Fletcher, Vice President  
Kansas Explorations, Inc.,  
250 Park Avenue,  
New York City, N. Y.

Dear Sir:

I transmit herewith Annual Report of  
the Kansas Explorations, Inc., for the year  
1939.

Respectfully submitted,

Ross Blake,

ANNUAL REPORT

OF

KANSAS EXPLORATIONS INCORPORATED

JOPLIN, MISSOURI

1939

# C O N T E N T S

## 1939      ANNUAL      REPORT

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ANNUAL REPORT  
OF  
KANSAS EXPLORATIONS INCORPORATED

1 9 3 9

The operations of the Kansas Explorations, Inc., for the year 1939 were confined to operations at the Jarrett unit from October 6th, to December 31st, 1939, and at the Ritz unit from October 24th to December 31st, 1939. These units were inactive during the period from January 1st to October 24th, 1939, due to the low base price being paid for zinc and lead concentrates. The base price paid for zinc concentrates varied from \$29.00 at January 1, 1939 to \$31.50 as at September 2, 1939, and \$35.50 as at December 31, 1939, while the base price paid for lead concentrates varied from \$54.38 at January 1, 1939 to \$60.50 at September 2, 1939, and \$64.54 as of December 31, 1939.

## LIST OF LEASES AS AT DECEMBER 31, 1939.

## ----- OPERATING UNITS -----

Number	Name	Acres	State	Land-owner Royalty
<u>JARRETT UNIT</u>				
973	Jarrett	240	Kansas	10%
<u>RITZ UNIT</u>				
921	Ritz	60	Oklahoma	12½%
<u>DARDENNE UNIT</u>				
974½	Dardenne	40	Oklahoma	5% - 7½%*
*5% on Tailings and 7½% on Underground ores.				

## ----- PROPOSED UNITS -----

SNAPP UNIT

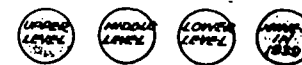
	Snapp	40	Missouri	
974	Gunning	280	Missouri	7½%
975	Gunning	160	Missouri	7½%
976	Buckingham	107	Missouri	7½%
977	Buckingham (A.J.)	140	Missouri	7½%
978	Poundstone	80	Missouri	7½%
979	Cushman	80	Missouri	7½%
980	McReynolds	80	Missouri	7½%

Total Acreage      967 Acres

No work was done in this area during 1939.

JARRETT

UNIT



				Tons	Recover.
Area	Level	Depth	Rock	Tons	Concls.
A-1	577	283	2860	7.50	157
A-2	577	283	2870	7.50	144
A-3	580	300	496	8.70	35
A-4	587	273	1368	6.80	70
A-5	556	308	1800	6.00	78
B	527	323	39000	3.00	936
C	600	260	1810	10.38	143
D	513	347	1100	8.00	33
E	440	420	7840	5.15	323
F	485	387	40752	4.67	1490
G	490	362	14592	6.57	767
H	580	292	10592	2.77	224
I	590	286	14196	8.32	945
J	520	306	14328	5.20	596
K	673	180	1400	5.86	84
L	643	208	2400	4.65	89
M	530	317	4870	5.49	206
N	645	207	6000	4.54	218
O	630	222	3000	8.80	132
P	545	287	3000	8.00	120
Q	570	282	1500	5.00	60
R	570	282	1500	7.00	140
S	570	282	1500	6.00	72
T	560	292	6500	6.00	312
U	610	242	2208	7.00	124
V	637	215	2208	4.50	80
W	642	210	8800	8.00	765
X	640	212	12000	7.00	672
Z	640	212	3582	7.00	201
TOTAL			214280		9020





Area	Level	Depth	Rock	Tons	Grade %	Tons Recover. Concls.
A-1	577	283	2860	7.50	157	
A-2	577	283	2870	7.50	144	
A-3	560	300	496	8.70	35	
A-4	587	273	1368	6.60	70	
A-5	556	308	1500	6.00	72	
B	527	333	39000	3.00	936	
C	600	260	1810	10.38	143	
D	512	347	110 0	6.00	53	
E	440	420	7840	5.18	323	
F	465	387	40732	4.87	1490	
G	490	362	14592	6.57	767	
H	560	292	10592	2.77	234	
I	590	286	14196	8.32	946	
J	550	306	14338	5.20	898	
K	673	180	1400	5.66	64	
L	643	208	2400	4.65	89	
M	530	317	4670	5.49	206	
N	645	207	6000	4.34	218	
O	630	222	3000	5.50	132	
P	565	287	3000	5.00	120	
Q	570	282	1500	5.00	60	
R	570	282	1500	7.00	140	
S	570	282	1500	6.00	72	
T	560	292	6500	6.00	312	
U	610	142	2208	7.00	124	
V	637	215	2206	4.60	80	
W	642	210	8800	8.00	665	
Y	640	212	12000	7.00	672	
Z	640	212	3582	7.00	201	
TOTAL				214280	9020	

## JARRETT UNIT

1 9 3 9

The Jarrett plant was shut down from January 1, 1939 to October 6, 1939, on account of low ore prices, which ranged from \$29.00 base price per ton of zinc concentrates January 1, 1939 to \$31.50 base price per ton of zinc concentrates as of week ending September 2, 1939, the price advancing to \$40.00 the week ending September 9, 1939, at which time, we began reconditioning the plant and unwatering the mines, which work was completed and plant began operating on October 6, 1939, with the exception of No. 4 mine, where unwatering operations were completed on November 8, 1939, at which time, the mine began operating.

Operations of both mines and mill were carried on continuously during the balance of the year; the mines operating two 8-hour shifts per day, and the mill being operated continuously 24 hours per day, for 6 days per week, which up to this time had not been possible on account of inability to produce sufficient tonnage from the mine.

The ore mined at No. 2 mine was transported to the shaft by means of a storage battery locomotive, while at No. 4 mine, hand traming was used as the mine was small; this being the first mining done at this shaft since it was sunk and development drifting was completed in 1937. The ore from both No. 2 and No. 4 mines was transported to the 30 ton concentrating plant by means of surface tramway using gasoline locomotives for haulage.

The total rock tonnage available for treatment in the concentrating plant during the year was 33, 919 rock tons, produced from mining operations at No. 2 and No. 4 mines and 1,744 rock tons stored at a surface dump which had been produced from development drifting at No. 4 mine in 1937.

The concentrating plant treated 34,097 rock tons during 1939. From

the tonnage treated, 2,032.20 tons of zinc concentrates (60% Zn.) and 118.24 tons of lead concentrates (80% Pb.) were recovered. From the entire rock tonnage treated during 1939, a recovery of 5.96% in the form of zinc concentrates (60% Zn.) and .35% in the form of lead concentrates (80% Pb.), or a total recovery of 6.31%. During the operating period, 6,346 man shifts were employed in operations; each man shift averaging a production of 5.6 rock tons or the equivalent of .34 tons of zinc and lead concentrates. The total average operating cost was \$1.68 for each rock ton or \$27.43 for each ton of zinc and lead concentrates recovered.

On December 31, 1938, the Jarrett unit had no concentrates in bins. During the year 1939, 714.20 tons of zinc concentrates and 118.24 tons of lead concentrates were sold and loaded. An average gross price per ton (2,000 pounds) of \$44.92 for zinc concentrates and \$59.14 for lead concentrates was obtained, or an average of \$46.93 per ton. The average royalty paid on zinc and lead concentrates sold and loaded at this property during 1939 was \$4.69 per ton. On December 31, 1939, at this unit, there was 1,318 tons of zinc concentrates, and no lead concentrates, in bins.

During the year, \$1,856.39 was spent for churn drilling and operating development, tending toward the accumulation of ore reserves. This expenditure is approximately 6 cents per rock ton mined, and 90 cents per ton of concentrates recovered. Against this expenditure, a probable ore reserve of 5,000 rock tons was developed, of sufficient grade to produce 300 tons of concentrates. At the beginning of 1939, the probable ore reserve was 33,100 tons of zinc and lead concentrates. During the year, 2,150 tons of zinc and lead concentrates were produced; this leaving a probable ore reserve of 31,250 tons of zinc and lead concentrates. One churn drill doing line drilling with Eagle-Picher Mining & Smelting Co.

along the South line of the Jarrett lease during November and December, 1939, was the only surface drilling done during the year. This drilling showed mineable ore in the Southeastern corner of this tract, where additional drilling will be done in 1940. 1,835 feet of churn drilling and 100 feet of underground drifting was completed in 1939.

During 1939, at the Jarrett unit, the operating expenditure for labor and liability insurance (including salaries) was \$37,371.63; for all other items other than labor, \$21,623.20; or a total of \$58,994.83. The total operating profit for the year was \$8,813.89, based on actual sales of concentrates sold and loaded during the year.

From January 1, 1939 to October 6, 1939, \$4,678.04 was spent as shut down expense at the Jarrett unit. Of this amount, \$3,017.90 was spent for labor (including salaries) and liability insurance; expense other than labor and liability insurance was \$1,660.14. The cost of rehabilitating the plant and unwatering the mine prior to beginning of operations was \$11,789.49. Of this amount, \$4,474.55 was spent for labor and liability insurance; expense other than labor and liability insurance was \$7,314.94; this amount being charged to operations, which left a net loss of \$2,975.60.

(Note: At December 31, 1939, there was 1,318 tons of zinc concentrates in the Jarrett bins, which, if it had been sold at the then current base price of \$39.00 per ton, would have shown an additional profit of \$11,000.00 on 1939 operations. The zinc concentrates was later sold in 1940 at a base price of \$37.50 per ton, which resulted in an additional profit to 1939 operations of approximately \$8,500.00.)

**JARRETT UNIT****1 9 4 0****RECOMMENDATIONS**

**It is recommended that development work by surface drilling and drifting be continued to further develop unmined areas.**

ROBINSON UNIT

## ROBINSON UNIT

1 9 3 9

Operations at this unit were resumed January 12, 1939 - a mining sub-lease being given to David A. Johnson on December 31, 1938, who, under the terms of the lease, would do all of the mining, paying all expenses pertaining to that part of the operation; the Kansas Explorations, Inc., to do all of the milling of mine rock, sell all concentrates, etc., and after royalty was deducted, receipts from sale of concentrates was divided equally between David A. Johnson and the Kansas Explorations, Inc. On account of the hazard attending this type of mining, the pulling of pillars and cleaning up of the mine, it was thought advisable to have the mining done by some one other than the Kansas Explorations, Inc. Mining operations under the above arrangement were completed June 3, 1939. During this period, 19,451 rock tons were hoisted and 19,240 rock tons were milled. From this tonnage, 1,343.14 tons of zinc concentrates (60% Zn.), and 364.44 tons of lead concentrates (80% Pb.), were produced. From the entire tonnage treated, a recovery of 6.98% in the form of zinc concentrates (60%) and 1.89% in the form of lead concentrates (80%), or a total recovery of 8.87% was obtained.

From the above operations, the Company realized a profit of \$10,035.79.

On June 19, 1939, the sub-lease arrangement with David A. Johnson was terminated, and on June 21, 1939, this Company completed the final mine clean up, and removed all equipment from the mine. During this period, 580 rock tons were hoisted and 579 rock tons milled. From this operation, a profit of \$1,511.64 was realized after royalty was paid. All operations were ended as of July 29, 1939.

Attempts were made to sell the lease and plant, either together or separately, but could not do so.

The landowners attempted to force us to resume operations by issuing a forfeiture notice which expired September 17, 1939. The lease was surrendered to them as of that date.

Additional attempts were made to dispose of the plant and equipment, but as we were unable to do so, it was decided to salvage our equipment and as much of the buildings as would be profitable. The work of moving the plant to the Jarrett lease was started in November, 1939, and on account of extremely cold weather, had not been completed as of December 31, 1939.

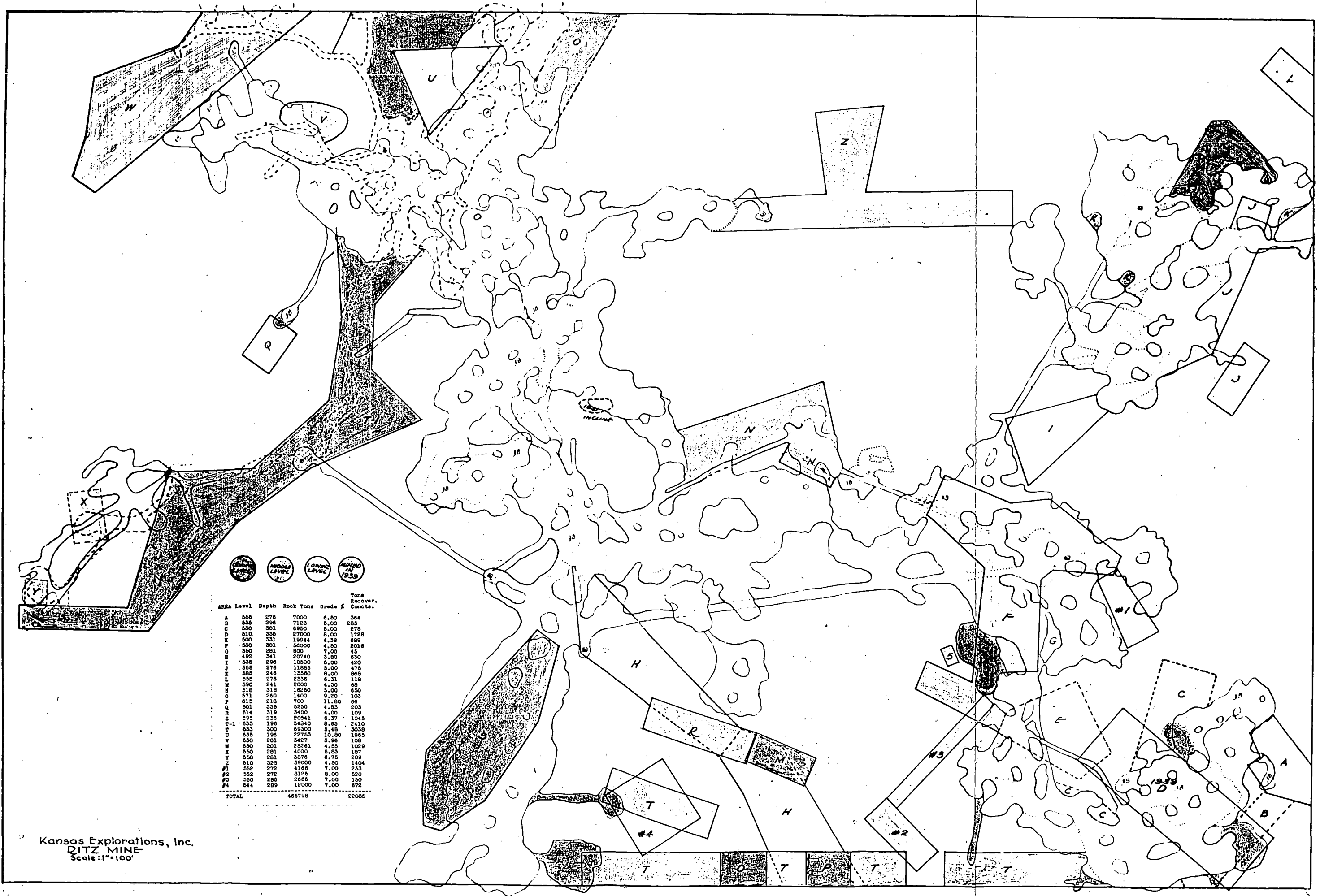
Mine suspension and salvage expense for the year 1939 was \$6,111.28.

Income from sale of equipment and scrap was \$1,288.14.



**RITZ**

**UNIT**



Kansas Explorations, Inc.  
RITZ MINE  
Scale: 1"=100'

## RITZ UNIT

1 9 3 9

The Ritz unit was idle from January 1, 1939 to October 24, 1939 on account of low ore prices. During the first part of September, 1939, the base price paid for zinc concentrates was increased to \$40.00 per ton, and, it was thought advisable to rehabilitate the plant and unwater the mine and put the plant into operation; which work was completed and the plant started October 24, 1939, and operated continuously during the balance of the year.

During the operating period, the mine operated two 8-hour shifts per day, and the 30 ton per hour concentrating plant operated three 8-hour shifts per day. All ore treated was mined underground and was hoisted at the mill shaft - ore being delivered to the shaft in the mine, by a three and one-half ton storage battery locomotive and a rope haulage system.

No surface drilling was done in 1939.

During the shut down period from January 1st to October 24th, 1939, watchmen and one helper were used in making some general plant repairs.

The starting of operations at the Ritz unit was delayed on account of it being necessary to drive drifts into the ore body developed by churn drilling in 1938, as was recommended in yearly report of 1938, after it was decided to put the Ritz unit into operation. This drift work was started September 26, 1939, and completed October 23, 1939.

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At the Ritz unit, during 1939, a total rock tonnage of 27,737 tons was hoisted, and a total of 27,687 tons of mine rock was treated in the concentrating plant. From the tonnage treated, 1,691.02 tons of zinc concentrates (60% Zn.), and 376.095 tons of lead concentrates (80% Pb.) were

recovered. The entire tonnage of rock treated during 1939, yielded a recovery of 6.11% in the form of zinc concentrates (60% Zn.) and 1.36% in the form of lead concentrates (80% Pb.), or a total recovery of 7.47%. During the operating period, 4,996 man shifts were employed in operations, each man shift averaging a production of 5.6 rock tons or the equivalent of .41 tons of zinc and lead concentrates. The total average operating cost was \$1.76 for each ton of rock or \$23.63 for each ton of zinc and lead concentrates recovered.

On December 31, 1938, the Ritz unit had no concentrates in bins. On December 31, 1939, the Ritz unit had no concentrates in bins. During the year 1939, 1,691.020 tons of zinc concentrates, and 376.095 tons of lead concentrates were sold and loaded. An average gross price per ton (2,000 pounds) of \$40.30 for zinc concentrates, and \$59.31 for lead concentrates, was obtained, or an average of \$43.75 per ton. The average royalty paid on zinc and lead concentrates sold and loaded was \$5.47 per ton.

During the year, \$1,625.25 was spent for operating development, and \$4,267.59 was spent for drifting to ore bodies prior to starting of operations October 24, 1939. This expenditure is approximately 6 cents per rock ton mined and 79 cents per ton of concentrates produced during the time the plant was operating, and 21 cents per ton of rock mined and \$2.85 per ton of concentrates produced for total development expenditure in 1939. During 1939, 500 feet of development drifts were driven. At the beginning of the year, the probable ore reserve was 35,000 tons of zinc and lead concentrates. At the close of the year, the probable ore reserve was 32,000 tons of zinc and lead concentrates. During the year, 2,067.115 tons of zinc and lead concentrates were produced.

During 1939, at the Ritz unit, the operating expenditure for labor and liability insurance was \$29,395.34; for all items other than labor

was \$19,449.83; or a total of \$48,845.17. The total operating profit from October 24, 1939 to December 31, 1939, at the Ritz unit, was \$30,303.75, based on actual sales of concentrates sold and loaded during the year.

From January 1, 1939 to October 24, 1939, inclusive, \$5,732.74 was spent as shut down expense at the Ritz unit. Of this amount, \$3,869.19 was spent for labor (including salaries) and liability insurance; expense other than labor and liability insurance was \$1,836.55. The cost of rehabilitating the plant and unwatering the mine and mine development prior to starting operations October 24, 1939, was \$19,369.06. This amount was written off as a charge against 1939 operations, leaving a profit of \$10,934.69.

RITZ UNIT

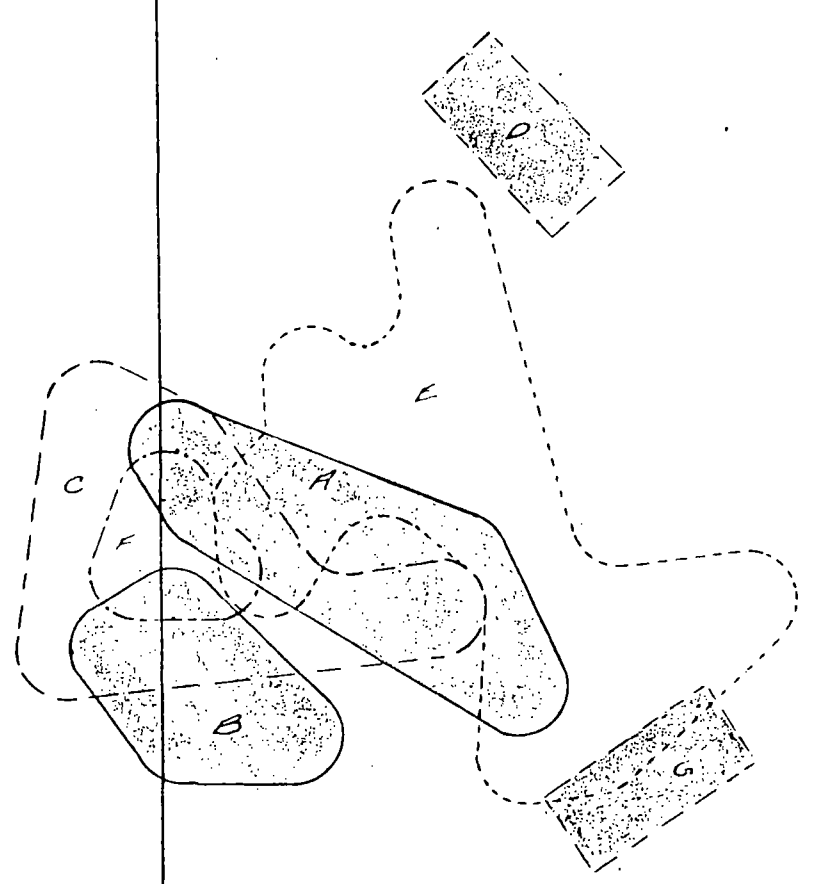
1940

RECOMMENDATIONS

It is recommended that drifting be done to ore holes located in the Southeastern part of the tract that indicates sheet ground mineralization at or below 500 sea level elevation.

**SNAPP      UNIT**

GUNNING  
SNAPP



GUNNING  
UPPER LEVEL  
MIDDLE LEVEL  
LOWER LEVEL  
MINED IN 1931

AREA	LEVEL	DEPTH	ROCK TONS	GRADE %	TONS
A	860	102	1,492	12.71	190
B	830	112	5,401	6.13	331
C	810	147	14,100	6.10	866
F	750	212	5,874	5.46	322
TOTAL			17,267	6.10	937

SNAPP  
UPPER LEVEL  
MIDDLE LEVEL  
LOWER LEVEL  
MINED IN 1931

AREA	LEVEL	DEPTH	ROCK TONS	GRADE %	TONS
A	560	102	36,009	12.71	3,669
B	830	112	5,371	6.13	323
C	810	147	14,370	6.10	873
D	670	142	3,146	7.84	310
E	700	177	57,244	6.27	2,871
F	750	212	2,676	5.46	147
G	820	142	6,214	3.30	167
H	830	126	3,422	4.65	128
I	140	236	39,740	6.04	1,679
J	660	316	19,232	7.31	1,440
TOTAL			185,545	7.13	14,745



SNAPP  
GUNNING

PROVED ORE RESERVE  
GUNNING - SNAPP # 969 & #571  
SCALE 1"=100'



C

Upper  
level

Lower  
level

Lower  
level

Lower  
level

Total	Level	Area	Area	Area	Area	Area
1	100	100	100	100	100	100
2	100	100	100	100	100	100
3	100	100	100	100	100	100
4	100	100	100	100	100	100
5	100	100	100	100	100	100
6	100	100	100	100	100	100
7	100	100	100	100	100	100
8	100	100	100	100	100	100
9	100	100	100	100	100	100
10	100	100	100	100	100	100

OVERSIZED

PROVED ORE RESERVE  
BUCKINGHAM LEASE #965

## SNAPP UNIT - PROPOSED

1 9 3 9

No work was done on this tract during 1939, as the low prices paid for zinc and lead concentrates did not justify the expenditure necessary in the opening of any new areas.

**DARDENNE UNIT**

**DARDENNE UNIT - PROPOSED****1 9 3 9**

The Eagle-Picher Mining & Smelting Company held a sub-lease on this tract until May 31, 1939. During this period, they operated the mine more or less continuously in a small way. On the above date, this sub-lease was assigned by them to the Beck Mining & Royalty Company, who have attempted to have the tract operated by other sub-lessees during the balance of the year, but nothing in a constructive way has been accomplished in development work, and the operations have been conducted mostly by gougers. All mine rock produced during the year, was milled over the Beck Mining & Royalty Company mill located on an adjoining tract. From the mine rock produced, 799.935 tons of zinc concentrates and 6.175 tons of lead concentrates were produced, from the sale of which, this Company (Kansas Explorations, Inc.) received \$1,800.26 as royalty.

The Beck Mining & Royalty Company has purchased the interest of Paul Dardenne, and at the death of Abram Dardenne, his life estate now owned by the Kansas Explorations, Inc., will terminate, and the tract will become the property of the Beck Mining & Royalty Co., but the lease on this tract now held by the Kansas Explorations, Inc., will not expire for several years.

**EMPLOYER'S LIABILITY**

## EMPLOYER'S LIABILITY

1 9 3 9

During 1939, the Kansas Explorations, Inc., carried their own Liability Insurance. A total of 16 lost time accidents occurred during the year, making a total of 328 shifts lost, averaging 20.5 shifts lost per accident, and 20.1 shifts lost per 1,000 man shifts worked. There was \$7,487.05 credited to the Reserve account during the year. The cost of all 1939 accidents was \$1,712.16, plus \$300.00 estimated liability on 1939 cases unsettled as at December 31, 1939, which indicated a profit of \$5,474.89 under Self-Insurance coverage for the year. The estimated liability on one unsettled accident case which occurred in 1929 and one unsettled accident case which occurred in 1937 is \$2,250.00.

L E G A L

LAW SUITS

1 9 3 9

There are no pending law suits against the Kansas Explorations,  
Inc.



GENERAL

## GENERAL EXPENDITURES

1 9 3 9

	<u>Amount</u>	<u>\$ Total</u>
Lease Rentals	927.00	.41
Taxes - Snapp	10.55	.01
Total Lease Expense	937.55	.42
Prepaid Royalties - Jarrett: Advanced \$1000.00		
Returned <u>\$1953.58</u>	953.58	.42
Starting Up Expense	32,315.81	14.39
Mine Suspension Expense	13,019.97	5.80
Salvage Expense - Robinson	3,456.57	1.54
Mining & Milling Expense	145,388.24	64.75
Royalties on Sales of Concentrates	23,564.91	10.50
Miscellaneous Income Charges	1,000.00	.44
Federal Old Age Benefit Taxes	900.41	.40
Unemployment Insurance Taxes	2,773.10	1.23
Real Estate & Miscellaneous Other Taxes	2,129.70	.95
GRAND TOTALS	\$224,532.68	100.00

At the close of the year, Accounts Receivable were as follows:

Ore Accounts:	
American Zinc, Lead & Smelting Co.	\$54,020.05
Other Accounts:	
United Iron & Metal Co. (12# Rail from the Jarrett)	160.74
Total Accounts Receivable -	\$54,180.79

At the close of the year 1939, Current Liabilities were as follows:

Vouchers Payable	\$25,962.68
Unpresented Treasury Drafts	1,164.47
Unpresented Salary Drafts	1,834.91
Unpresented Payroll Drafts	9,548.45
State Compensating Tax Payable	107.34
Accrued Unemployment Insurance Taxes	2,165.00
Accrued & Collected Old Age Benefit Taxes	1,370.77
Total Current Liabilities -	\$42,153.62

Income for the year, other than that from concentrate sales, consisted of the following:

Income from Royalties - Dardenne	\$ 3,033.85
Discount on Purchases - Jarrett	142.54
Discount on Purchases - Robinson	46.31
Discount on Purchases - Ritz	142.52
Miscellaneous Other Income - Jarrett	303.51
Miscellaneous Other Income - Robinson	2,341.94
Miscellaneous Other Income - Ritz	690.96
Miscellaneous Other Income - Snapp	20.00
Total Other Income -	\$ 6,721.63